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SUBJECT: The players in Latvia's parliamentary elections

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11. SUMMARY. Latvia enters the 2006 Saeima (parliament) election race with a minority government led by Prime Minister Aigars Kalvitis (People's Party) that includes the center-right People's Party, centrist Greens and Farmers Union and conservative First Party. The country will likely emerge from the October 7 elections with a fragmented parliament in which no single party will be overall winner. The new parliament is expected to include the Russia-oriented For Human Rights in a United Latvia (PCTVL) faction, the People's Party, New Era, the Greens and Farmers Union, the First Party/Latvia's Way slate, the nationalist Fatherland and Freedom/LNNK and the leftist Harmony Center. The other parties will have to scramble hard to cross the five-percent threshold. END SUMMARY.

12. A total of 19 parties and party associations have fielded candidates for the coming elections. Opinion polls suggest that no more than seven have realistic chances to be represented in the Saeima. Ex-central banker Einars Repse's New Era (JL) party, which was the most dramatic newcomer on Latvia's political scene grabbing a fourth of the Saeima (parliament) seats in 2002, the People's Party (TP), the Greens and Farmers (ZZS), and the ethnic Russian-dominated PCTVL are neck and neck in the polls. Each will probably win around 15 - 20 seats with the former two or three likely to be at the core of the next government.

13. New Era (JL) has defined its orientation as center-right and pro-Western. Its main campaign slogans focus on clean government and fighting corruption. Created before the 2002 elections, it won the plurality of seats (26 out of 100) in the previous elections, and led the coalition building talks. New Era is entering the election season as one of the most popular political parties, although its popularity has shrunk compared to 2002. The party left the coalition government earlier in the year over a vote-buying scandal involving the First Party. This is now widely viewed as a mistake, with even party members saying that it only reinforced their opponents' portrayal of New Era as unable to work well with others. The party's image has been tarnished by party leader Einars Repse's flamboyant lifestyle and his questionable financial dealings. His recent involvement in a fatal car accident could also have a drag on the party's popularity. Also, a scandal that broke out in mid-August following the newspaper publication of transcripts of phone conversations implicating New Era in using illegal campaign funds may hurt the party in the run-up to the elections. To bolster its chances in the upcoming elections, New Era has managed to persuade the well-known pro-independence activist and ex-Foreign Minister Sandra Kalniete to run for the Saeima on the New Era ticket. They have also announced Kalniete as their choice for President in next year's indirect elections, a move that drew mostly yawns from political observers.

14. The For Human Rights in a United Latvia (PCTVL) ticket represents a pro-Russian political group advocating automatic citizenship for all residents of Latvia at the time of independence and demands semi-official status for the Russian language. PCTVL professes statist economic policy, implicit anti-EU and explicit anti-NATO foreign policy and promises to mend fences with Russia.

PCTVL appeared on the Latvian political scene in 1998 when four groups, mainly representing the interests of non-Latvians, formed a joint slate. In 2002, PCTVL grabbed a quarter of the Saeima seats but was left in deep opposition as its ideology was anathema to ethnic Latvian parties. In early 2003, PCTVL disintegrated due to rivalry between the leaders of various groups but several Russian nationalists centered around the Equal Rights movement revived the brand-name popular among local Russians. PCTVL power base, located mainly in Riga and the eastern region of Latgale, consists almost entirely of ethnically non-Latvian voters.

15. The People's Party (TP) was founded before the 1998 Saeima elections by then highly popular ex-prime minister Andris Skele who is one of the richest men in Latvia and is dubbed as one of this country's "oligarchs." TP is a conservative, and pragmatically nationalist, party. Its base consists of business people and educated urban electorate, mainly in western and north-eastern Latvia. Even though TP founder Skele has formally left active politics and is a rank-and file member of the People's Party, most pundits and TP's political opponents believe that he still wields significant power within the party. TP's prime minister Aigars Kalvitis currently leads the minority government.

16. The Green party and the Farmers' Union formed a joint slate (ZZS) before the 2002 elections with a view to winning more parliamentary seats. ZZS platform appears to be centrist although it is trying to recruit in its ranks public figures of all political convictions. ZZS is believed to be the pocket party of the wealthy and influential mayor of Ventspils, Aivars Lembergs. In July, the Prosecutor General's Office indicted Lembergs for corruption, money laundering and abuse of office. Lembergs will not run for parliament; however, ZZS has made him their candidate for prime minister. (Note: There is no requirement that the prime minister, or any other minister, be an elected member of parliament, but it has been the tradition for prime minister. End note.) ZZS has been in every ruling coalition since the 2002 elections, and had a brief spell of premiership in 2004 when Indulis Emsis led a shaky minority

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government.

17. As the only mainstream true-blue nationalist party, For Fatherland and Freedom (TB/LNNK) clearly pitches its message at the nationalistic ethnic Latvian voter. The party's selling points are tough line on naturalization and language, and hawkish attitude towards Russia. TB/LNNK's economic program is fairly market oriented, and in foreign policy it is staunchly pro-NATO and pro-EU. It won 16 Saeima seats in the 1998 elections but in 2002 managed to squeak into parliament with only 7 seats. However, it did well in the 2004 European parliament elections winning 4 of Latvia's 8 seats. Currently, TB/LNNK sits in the opposition on its own choosing so that it can run for the Saeima as an outsider. Its election chances are difficult to measure since most of its talent sits in Strasbourg and will not be running for the Saeima.

18. Latvia's First Party (LPP) is a business project of the wealthy businessman Ainars Slesers. It has defined its orientation as centrist, and has announced that its activities will be firmly based on "Christian values." Before the 2006 elections, LPP appears to have adopted an anti-gay stance as its key campaign message. Owing to excellent TV commercials, LPP won nine Saeima seats in 2002, although the polls conducted before the elections predicted that it might not cross the five-percent threshold. The party's popularity suffered earlier this year when its leader and then transport minister Ainars Slesers was implicated in a vote-buying scandal in the city of Jurmala. Nevertheless, Slesers remains LPP's prime ministerial candidate. In order to bolster its waning popularity, LPP has teamed up with liberal Latvia's Way (Latvijas Cels, LC), once a popular and star-studded party that was represented in every Latvian government from 1993 until 2002. LC suffered a crushing defeat in the 2002 elections and has been struggling to stay alive ever since. Most political observers point out the ideological discrepancy between the conservative LPP and the liberal LC.

19. Harmony Center (SC) is a coalition centering around the National Harmony Party but without its long-time leader Janis

Jurkans. It was created formally in 2005 and inherited eight of National Harmony party's Saeima members. At its convention, SC elected a young politician and TV journalist, Nils Usakovs, as its leader for the 2006 elections. National Harmony Party was a key member of the PCTVL bloc before it disintegrated. Now the two will compete for the votes of almost the same electorate. SC appears to be centrist and more moderate than PCTVL on ethnic policy (yet it still calls, among other things, for non-citizens to be able to vote in local elections and for semi-official status to the Russian language) and more business oriented, although it has admitted that its voters will nevertheless mainly be non-Latvian.

10. COMMENT: A combination of voter apathy, lack of any defining issues, and absence of any new political force mean that Latvia's upcoming elections will in all probability result in a fragmented parliament in which at least three parties will be needed to set up a viable majority coalition. Unlike in all previous post-Soviet elections in Latvia, no brand-new political force capable of winning the plurality of Saeima seats has appeared. As a result, all major center-right and centrist parties currently in the Saeima and/or the government coalition will be competing for votes of the same jaded electorate. Due to various recent scandals involving leading politicians (e.g. the vote-buying scandal in Jurmala), and the fact that there are no charismatic fresh-faces running, the voter turnout is likely to fall. In a meeting with Pol/Econ chief, Chair of the Central Election Commission Arnis Cimdars estimated the turnout to drop from 72 percent in 2002 to about 62 percent this time.

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